NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION

ANNUAL ACCOUNTABILITY REPORT

FISCAL YEARS 2011-2012

Table of Contents

1.0 Accountability Statement 2

2.0 Message from the Nova Scotia housing Development Corporation 3

3.0 Introduction 4

4.0 Accomplishments 5

5.0 Financial Results 6

6.0 Performance Measures 6

1.0 Accountability Statement

The accountability report of the Nova Scotia Housing Development Corporation for the year ended March 31, 2012 is prepared pursuant to the *Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the *Nova Scotia Housing Development Corporation's Statement of Mandate for the fiscal year 2011-2012*. The reporting of the Nova Scotia Housing Development Corporation's outcomes necessarily includes estimates, judgments and opinions by the corporation's management.

We acknowledge that this accountability report is the responsibility of the Housing Corporation's management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the *Nova Scotia Housing Corporation's 2011-2012 Business Plan.*

Denise Peterson-Rafuse
Minister, Department of Community Services

Robert Wood
Deputy Minister, Department of Community Services

2.0 Message from the Nova Scotia housing Development Corporation

On behalf of the Nova Scotia Housing Development Corporation, I am pleased to provide you with our latest accountability report.

In this report, you will find the corporation's accomplishments relative to the *Nova Scotia Housing Development Corporation 2011-2012 Business Plan.*

On a day-to-day basis the Nova Scotia Housing Development Corporation provides financing for the government's social and supported housing programs. These programs and services contribute to better futures for the province's youth, families and their children, persons with disabilities, and communities throughout Nova Scotia.

I would like to take a moment to mention some of the corporation's recent accomplishments. One of the largest investments in capital repairs and new construction undertaken in decades has been successfully completed. Over the past two years, the Economic Stimulus Program's investment has created about 200 new affordable homes for hundreds of Nova Scotians and improved the homes of thousands more through necessary repairs and renovations. In looking ahead, it is anticipated that significant investments will improve accessibility and energy efficiency for the province's public housing.

The following report will share greater detail about this accomplishment, along with information on many other significant initiatives. I hope that you will find the report helpful in understanding the progress made by the Nova Scotia Housing Development Corporation.

Regards,

Denise Peterson-Rafuse
Chair, Nova Scotia Housing Development Corporation

3.0 Introduction

The Annual Accountability Report is a report on the progress achieved by the corporation towards the goals, priorities, performance measures, and financial targets established in the 2011-2012 Business Plan, and is available at
http://www.gov.ns.ca/coms/department/Publications.html

The Nova Scotia Housing Development Corporation, created in 1986, provides financing for government's social and supported housing programs. It is responsible for holding the province's social housing assets and consolidating the revenues and expenditures associated with operating these assets. The goal of the Nova Scotia Housing Development Corporation is to ensure the province has a range of financial tools available to support government's housing objectives.

Created by the *Nova Scotia Housing Development Corporation Act*, the corporation's activities include:

- the acquisition and disposal of real estate
- negotiating agreements
- borrowing and investing funds
- lending money and guaranteeing payments
- mortgaging property

The staff of the Department of Community Services carry out the management and administration functions of the corporation, but are not direct employees.

Report Structure

This report is organized into two main sections. The first section outlines the corporation's progress and accomplishments against the priorities identified in the 2011-2012 Business Plan. The next section provides details regarding performance measures and the results achieved. The financial results of the Nova Scotia Housing Development Corporation are reported on in the Audited Financial Statements. These statements are available at

http://www.novascotia.ca/finance/site-finance/media/finance/PublicAccounts2012/vol2/Nova_Scotia_Housing_Development_Corporation.pdf

4.0 Accomplishments

Affordable Housing Investment

Through the Economic Stimulus Program, the department completed one of the largest investments in capital repairs and new construction in decades. Over two years, the department invested $128 million to create approximately 200 new affordable homes for hundreds of Nova Scotians and to renovate and repair thousands of units.

- $48.1 million has been committed for accessibility enhancements, energy retrofit and repair and renovation to the Province's public housing stock
- $20.6 million has been committed for repairs for 1,100 units in cooperatives and non-profits
- $ 27.4 million committed in new construction activity representing almost 200 units
- $13.3 million was committed for the creation and preservation of 410 units
- $18 million of the Residential Rehabilitation Assistance Program (RRAP) funding committed to assisting over 1,500 households
- reviewed departmental policies and procedures concerning supervised access to

Negotiation of a New Affordable Housing Agreement

In 2011-2012, the Province entered into the Canada-Nova Scotia Agreement for Investment in Affordable Housing 2011-2014. Under this Agreement the Province has $61.2 million to invest in affordable housing and improve the lives of Nova Scotians in need by improving access to affordable, sound, suitable and sustainable housing. Additionally, the Province will gain more control over the total federal funding envelope and be able to direct a greater portion of the federal funding toward whatever programs advance its affordable housing priorities whether it be emergency repairs, adaptations to units for seniors, or the creation of new units.

Funding Support for Government's Public Policy Agenda

The corporation, on behalf of the Province, works to ensure that there are a range of capital financing tools to support government's public policy agenda.

In 2011-2012, the corporation provided a total of $87 million in financing to support:

- the Department of Health and Wellness' Long Term Care Bed Renewal initiative
- infrastructure renewal/expansion in the Early Learning & Child Care sector

- capital investments in the Services for Persons with Disabilities sector.

The corporation also focused on fostering and pursing partnering opportunities with other departments and government agencies.

5.0 Financial Results

Please refer to the Audited Financial Statements for the financial results of the Nova Scotia Housing Development Corporation. These statements are available at

http://www.novascotia.ca/finance/site-finance/media/finance/PublicAccounts2012/vol2/Nova_Scotia_Housing_Development_Corporation.pdf

6.0 Performance Measures

Outcome: Strong public and social housing infrastructure supported by options in managing capital financing for government sponsored housing.

Measure: **Amount of Financing and/or Mortgage Guarantees**

The corporation provides financing to qualified agencies to purchase, lease or upgrade housing/shelter related facilities. This involves giving the agencies preferred interest rates for longer term periods than would be provided by private lenders. Agencies are protected from fluctuations in their on-going operating costs. This is particularly important to Community Services and the Department of Health, since publically subsidized per diem rates include financing costs.

What does the measure tell us?

This measure reports the amount of financing and/or mortgage guarantees provided to social housing projects to increase the supply of public and social housing available to those in need.

Where are we now?

The corporation lends funds to service providers upon completion of work and upon receipt of a borrowing request by the service provider. In 2011-2012, the corporation expected to provide up to $152 million in financing and/or mortgage guarantees.

In 2011-2012, the corporation provided approximately $90.7 million in financing and/or mortgage guarantees, of which, $79.6 million was used to assist long term care facility proponents who are constructing new, replacing, and/or expanding long term care facilities.

The amount of lending by the corporation is dependent upon progress made by partners/ developers on social housing projects.

Amount of Financing and/or Mortgage Guarantees						
2005/06 (BY)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
$12.87 million	$9.0 million	$21.7 million	$59.8 million	$192.0 million	$193.8 million	$90.7 million

Where do we want to be in the future?

The corporation will continue to provide financing to support the Department of Health in the development of new long term beds, the delivery of the province's EnerGuide Loan Program, the construction and renovation of community homes for persons with disabilities, and the commercial child care sector to improve its facilities and create additional child care spaces.

Nova Scotia has an aging public housing stock, and in rural areas aging and inadequate affordable housing in the private market. The corporation has assets of approximately $1.4 Billion. These assets can be leveraged to support the development of a range of affordability strategies, and mix of related financial tools.

In 2012-2013, the corporation will present options to government with respect to the provision of:

- low-income mortgage, rent supplements, other lease/purchase options
- a portfolio management approach, utilizing market analysis, and predictive housing models to guide investment decisions
- financing to support social enterprise
- co-op home ownership models.